

UPDATED INFORMATIVE DIGEST

PUBLIC HEARING TO CONSIDER ADOPTION OF PROPOSED AMENDMENTS TO THE AB 32 COST OF IMPLEMENTATION FEE REGULATION

Sections Affected: Amendments to sections 95201, 95202, 95203, 95204, and 95205 to title 17, California Code of Regulations (CCR).

Background: With the passage of Assembly Bill (AB) 32, the California Global Warming Solutions Act of 2006 (Health and Safety Code sections 38501-38599), the Legislature declared that global warming poses a serious threat to the economic well-being, public health, natural resources, and environment of California.

AB 32 created a comprehensive, multi-year program to reduce greenhouse gas (GHG) emissions in California, with the overall goal of reducing emissions to 1990 levels by 2020. The administration, implementation, and enforcement of measures to achieve the emissions reductions goals will require a stable and continuing source of funding.

AB 32 authorizes ARB to adopt a schedule of fees to be paid by the sources of GHG emissions.

On May 8, 2009, ARB released the Staff Report: Initial Statement of Reasons for Rulemaking, Proposed AB 32 Cost of Implementation Fee Regulation and Proposed Amendment to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (MRR). At the Board's September 25, 2009, hearing the Board directed the Executive Officer to finalize the AB 32 Cost of Implementation Fee Regulation (Fee Regulation) and the amendments to the MRR. The Executive Officer subsequently adopted these regulations and submitted them to the California Office of Administrative Law (OAL). The regulations were approved by OAL and became legally effective on July 17, 2010.

Description of Adopted Regulatory Action: On October 20, 2011, the ARB approved for adoption the amendments to the existing AB 32 Cost of Implementation Fee Regulation (Fee Regulation). ARB published two 15-day change notices to the regulation, and Executive Officer adopted the regulation on August 15, 2012. The Fee Regulation was amended by adding, revising, or deleting definitions; changing or excluding emissions reporting for some entities; clarifying provisions that caused confusion in the first year of implementation; and revising applicability to exclude certain very small GHG emitters.

Comparable Federal Regulations: There are no federal regulations that are comparable to this Fee Regulation or proposed amendments to the Fee Regulation.